

Article - Tax - General

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§10–747. IN EFFECT

**** CONTINGENCY – IN EFFECT – CHAPTER 350 OF 2018 ****

(a) (1) In this section the following words have the meanings indicated.

(2) “Business entity” has the meaning stated in § 6–901 of the Economic Development Article.

(3) “Department” means the Department of Commerce.

(4) “Eligible project” has the meaning stated in § 6–901 of the Economic Development Article.

(5) “Qualified business entity” has the meaning stated in § 6–901 of the Economic Development Article.

(6) “Qualified position” has the meaning stated in § 6–901 of the Economic Development Article.

(b) (1) To be eligible for the credit under this section, a qualified business entity shall:

(i) compensate the employees employed in the qualified positions for which the business entity claims the credit under this section in an amount that, on average, equals at least \$100,000 annually; and

(ii) fill the required number of qualified positions not later than 17 years after initial enrollment in the Program.

(2) Subject to the limitations of this section, an individual or a corporation that is a qualified business entity that operates an eligible project in the State may claim a credit against the State income tax equal to the amount stated in the final tax credit certificate approved by the Department for an eligible project.

(3) The amount of the credit authorized under paragraph (2) of this subsection is equal to the product of:

(i) the State employer withholding amount, which is equal to the highest tax rate listed in § 10–105(a) of this title; and

(ii) subject to paragraph (1) of this subsection, the total amount of wages paid for each qualified position at an eligible project.

(4) If the tax credit allowed under this section in any taxable year exceeds the total tax otherwise payable by the qualified business entity for that taxable year, the qualified business entity may claim a refund in the amount of the excess.

(c) (1) On enrollment in the Promoting extraordinary Innovation in Maryland's Economy Program established under Title 6, Subtitle 9 of the Economic Development Article, a qualified business entity shall apply to the Department for a certificate of eligibility for a tax credit under this section.

(2) The application shall be in the form and shall contain the information that the Department requires.

(3) (i) Each year, subject to the limitations of this subsection, the Department shall issue an initial tax credit certificate in an amount equal to a percentage of total wages paid for each qualified position at an eligible project as calculated under subsection (b) of this section.

(ii) An initial tax credit certificate issued under this subsection shall state the maximum amount of tax credit for which the qualified business entity is eligible.

(iii) The Department shall issue a final tax credit certificate to the qualified business entity based on an amount equal to a percentage of the total actual wages paid for each qualified position at an eligible project as calculated under subsection (b) of this section.

(d) On or before July 1 each year, the Department shall report to the Governor and, subject to § 2-1257 of the State Government Article, the General Assembly on the amount of tax credits issued under final tax credit certificates under the Program.

(e) The Department and the Comptroller jointly shall adopt regulations to:

(1) carry out the provisions of this section; and

(2) specify criteria and procedures for the application for, approval of, and monitoring of continuing eligibility for the tax credit under this section.

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